SUPREME COURT, U. S.

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No. 386

In the

Supreme Court of the United States

OCTOBER TERM, 1967

STEWART-WARNER CORPORATION,

Petitioner,

vs.

BISHMAN MANUFACTURING CO. and GEORGE T. HEMMETER,

Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

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PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

Petitioner prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Seventh Circuit in its case No. 15916.

OPINIONS BELOW

The amended opinion of the Court of Appeals has not yet been reported, but is reprinted as Appendix A to this petition (1a, *infra*); the original opinion is reported at 153 USPQ 496 and reprinted as Appendix B (8a, *infra*), and the order amending that opinion is printed as Appendix C (15a, *infra*).

The opinion of the District Court for the Northern District of Illinois is reported at 259 F.Supp. 300 and reprinted as Appendix F to this petition (18a, *infra*); the District Court's findings of fact and conclusions of law and its final judgment appear at pages 473 through 490 of the appendix to petitioner's brief in the Court of Appeals.*

JURISDICTION

The judgment of the Court of Appeals was entered on May 3, 1967 (Appendix D, 16a, *infra*). Stewart-Warner's timely petition for rehearing *en banc* was denied on June 15, 1967 (Appendix E, 17a, *infra*). This Court has jurisdiction under 28 U.S.C. §§ 1254(1) and 2101(c).

QUESTION PRESENTED

Where a patent was granted only after the patentee had narrowed the broad claims submitted to and rejected by the Patent Office, either by amending those claims or cancelling them and substituting others, is the estoppel which results:

(a) Measured by the **entire difference** between the claims the patentee unsuccessfully sought and those finally allowed to him (as this Court and the Courts of Appeals for the Second and Ninth Circuits have held), or is it

(b) Limited to that **part of the difference** between the rejected claims and the allowed claims which was **required by the Patent Office** as a condition for the grant (as the Courts of Appeals for the Fifth and Seventh Circuits have held, in defiance of this Court's holdings)?

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* Hereafter, the appendix to petitioner's brief in the Court of Appeals is referred to by the abbreviation "R.", petitioner is referred to as "Stewart-Warner", and respondents are referred to as "Bishman" and "Hemmeter" respectively.

NO STATUTORY PROVISION INVOLVED

The doctrine of file wrapper estoppel does not rest on statute. It is an equitable limitation on the doctrine of infringement through equivalents, designed to protect the public against expansion of a patent monopoly through judicial interpretation of the patent in such a way as to cover subject matter the patentee unsuccessfully attempted to claim in his application.

The doctrine was established and has been applied in a long line of famous decisions by this Court, the last of which was handed down 25 years ago (*Exhibit Supply Co.* v. *Ace Corp.* (1942), 315 U.S. 126). Those decisions hold that a patentee cannot invoke the doctrine of equivalents to establish infringement of his patent by any device not literally covered by the claims granted in his patent, but coming within the literal scope of a claim presented to and refused by the Patent Office.

During the 25 years since this Court last spoke on the subject, however, at least two Courts of Appeals have eroded away the law by refusing to enforce file wrapper estoppels against limitations in patent claims which, in their opinion, were not really necessary, i.e., were deemed "voluntary" on the part of the patentee. Those Courts hold that such an estoppel is limited to specific distinctions and restrictions in the claims which —upon reviewing the Patent Office actions, the cited prior art, and the patentee's amendments of his application— they conclude were required by the Patent Office as a condition for granting the patent.

STATEMENT OF THE CASE

This is an action for infringement of Hemmeter U.S. patent No. 3,094,003, of which the District Court had jurisdiction under 28 U.S.C. § 1338(a).

The patent in suit relates to an "on-the-car" wheel balancer, so called because the balancer is attached to an automobile wheel and the balancing operation performed without removing the wheel from the car (R. 474). The function of such a balancer is to locate the "light spot" on the unbalanced wheel—i.e., the point which is 180° from the "heavy spot"—and indicate the amount of weight that must be added to the rim at that point in order to balance the wheel.

The Wheel Balancers Involved In This Action

All of the claims in the Hemmeter '003 patent define a wheel balancer which includes a pair of rotating counterweights journalled for movement "in axially-spaced planes of rotation," so they can rotate past one another (or recycle) during operation of the balancer (R. 264-266).

The Stewart-Warner wheel balancer, on the other hand, employs a pair of rotating counterweights that are journalled for movement in **common planes of rotation, but radially spaced** to permit recycling (R. 79-80 and 485; 23a-24a, *infra*).

History Of The Hemmeter '003 Application In The Patent Office

When the Hemmeter '003 application was filed in the Patent Office, four claims described the rotating counterweights as simply journalled or mounted "for rotation" about the axis of the balancer (claims 9, 10, 11 and 13,

R. 377-379). The parties have stipulated that one of those claims (original claim 11) literally reads on the Stewart-Warner balancer (R. 148).

In the first amendment of the Hemmeter application, a new claim was submitted in which the rotating counterweights were described as mounted for movement "in individual paths of rotation" (claim 17, R. 384)—language which also covers the radially spaced counterweight arrangement used in the Stewart-Warner balancer.*

Hemmeter was not, however, able to obtain allowance of any of the claims in which the rotating counterweights were broadly defined as journalled "for rotation" or mounted for movement "in individual paths of rotation"; indeed, not a single claim was allowed by the Patent Office until all of the claims had been restricted to a balancer having the rotating counterweights journalled for movement "in axially-spaced planes of rotation" (R. 381-410).

The District Court Decision

The District Court concluded that the radially spaced counterweights in the Stewart-Warner balancer were the functional and mechanical equivalent of the axially spaced counterweights called for by the claims of the Hemmeter '003 patent, and accordingly held that claim 4 of the patent—the only claim held valid—was infringed through operation of the doctrine of equivalents (23a-24a, *infra;* R. 486).

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* There are, of course, only two possible arrangements by which a pair of counterweights can be mounted to rotate past one another about a common axis; they must either be **axially spaced** (i.e., spaced apart from one another along the axle about which they rotate) or **radially spaced** (i.e., mounted on arms of different lengths).

The District Court's decision did not, however, contain a single reference to the principal non-infringement defense urged by Stewart-Warner—i.e., the contention that Hemmeter's amendment and cancellation of the broad claims which described the rotating counterweights as simply "journalled for rotation" or mounted for movement "in individual paths of rotation," and his substitution of claims which required that the counterweights be journalled for movement "in axially-spaced planes of rotation," estop Bishman and Hemmeter from asserting that the '003 patent is infringed by a wheel balancer in which the rotating counterweights are **radially spaced** (18a-25a, *infra;* R. 473-488).

The Court of Appeals Decision

In the Court of Appeals, Stewart-Warner did not challenge the District Court's finding that the radially spaced counterweights in its balancer are the functional and mechanical equivalent of the counterweights journalled for movement "in axially-spaced planes of rotation" called for by claim 4 of the Hemmeter patent, but contended that the doctrine of file wrapper estoppel superseded and precluded application of the doctrine of infringement through equivalents in this case.

Upon reviewing the file history of the Hemmeter application and considering the various phrases used by Hemmeter to describe the rotating counterweights in his original and amended claims, the Court of Appeals rejected Stewart-Warner's file wrapper estoppel argument because it concluded that:

> ". . . The objections raised by the Patent Office in its rejection of the original and amended claims were not directed to any distinctions of substantive importance to be drawn from one or the other of these

phrases, nor did the Patent Office make a restriction in any of such phrases a condition for the awarding of a patent . . ." (6a, *infra*).

The result is that the District Court and the Court of Appeals, by applying the doctrine of equivalents and refusing to apply the doctrine of file wrapper estoppel, have given the "axially-spaced planes of rotation" language in claim 4 of the Hemmeter '003 patent the very same construction which would have been given the much broader "for rotation" or "in individual paths of rotation" language that appeared in the rejected and cancelled claims of the Hemmeter application.

REASONS FOR GRANTING THE WRIT

There is a basic conflict between the file wrapper estoppel decisions of:

(a) The Courts of Appeals of the Seventh Circuit (in this case) and the Fifth Circuit (in *Hunt Tool Co.* v. *Lawrence* (5 Cir., 1957), 242 F.2d 347) and

(b) The controlling decisions of this Court (typified by *I.T.S. Rubber Co.* v. *Essex Rubber Co.* (1926), 272 U.S. 429; *Smith* v. *Magic City Kennel Club Inc.* (1931), 282 U.S. 784; *Schriber-Schroth Co.* v. *Cleveland Trust Co.* (1940), 311 U. S. 211; and *Exhibit Supply Co.* v. *Ace Patents Corp.* (1942), 315 U.S. 126) and decisions of the Courts of Appeals for the Second and Ninth Circuits (*Keith* v. *Charles E. Hires Co.* (2 Cir., 1940), 116 F.2d 46; and *Oregon Saw Chain Corp.* v. *McCulloch Motors Corp.* (9 Cir., 1963), 323 F.2d 758).

This conflict lies at the very heart of the doctrine of file wrapper estoppel.

The Nature of The Decisional Conflict

The decisions of this Court hold that a file wrapper estoppel arises because of what the patentee actually did, to obtain his patent; they indicate that **any amendment of a patentee's claim constitutes a disclaimer,** and that the patentee is thereafter estopped to recapture the subject matter disclaimed, whatever the occasion for the amendment.

Thus, in *I.T.S. Rubber Co.* v. *Essex Rubber Co.* (1926), 272 U.S. 429, this Court stated:

> "The applicant having limited his claim by amendment and accepted a patent, brings himself within the rules that if the claim to a combination be restricted to specified elements, all must be regarded as material, and that **limitations imposed by the inventor,** especially such as were introduced into an application after it had been persistently rejected, **must be strictly construed against the inventor and looked upon as disclaimers.** *Sargent* v. *Hall Safe & Lock Co.*, 114 U.S. 63, 86; *Shepard* v. *Carrigan, supra,* 598; *Hubbell* v. *United States, supra,* 85. The patentee is thereafter estopped to claim the benefit of his rejected claim or such a construction of his amended claim as would be equivalent thereto . . ." (272 U.S. 443-444; bold face emphasis added).

Similarly, in *Exhibit Supply Co.* v. *Ace Patents Corp.* (1942), 315 U.S. 126, where the claim in question had first been amended in response to a prior art rejection (315 U.S. 133) and then further amended to overcome a rejection "that the device claimed by the amendment 'would be inoperative'" (315 U.S. 134), the Court said:

> "The difference which he thus disclaimed must be regarded as material, and **since the amendment operates as a disclaimer** of that difference **it must be strictly construed against him.** *Smith* v. *Magic City*

Kennel Club, supra, 790; *Shepard* v. *Carrigan,* 116 U.S. 593, 598; *Goodyear Dental Vulcanite Co.* v. *Davis,* 102 U.S. 222, 228. **As the question is one of construction of the claim, it is immaterial whether the examiner was right or wrong in rejecting the claim as filed.** *Hubbell* v. *United States, supra,* 83; *I.T.S. Rubber Co.* v. *Essex Rubber Co., supra,* 443. It follows that what the patentee, by a strict construction of the claim, has disclaimed—conductors which are carried by the table but not embedded in it—cannot now be regained by recourse to the doctrine of equivalents, which at most operates, by liberal construction, to secure to the inventor the full benefits, not disclaimed, of the claims allowed" (315 U.S. 137; bold face emphasis added).

The Courts of Appeals for the Second and Ninth Circuits have followed this Court's estoppel-by-disclaimer reasoning in their decisions.

Thus, in *Keith* v. *Charles E. Hires Co.* (2 Cir., 1940), 116 F.2d 46, Judge Learned Hand wrote:

> "The theory of the 'estoppel,' as it is called, is that, by assenting to the cancellation of the claim and by amending it, the applicant has abandoned it as it stood . . .
>
> "So far therefore as, but for the estoppel, Goldring might have been entitled to go beyond claim three in the case at bar, he lost that privilege as to the element by which that claim differs from the cancelled claim" (116 F.2d 48).

The decision of the Court of Appeals for the Ninth Circuit in *Oregon Saw Chain Corp.* v. *McCulloch Motors Corp.* (1963), 323 F.2d 758, contains a similar statement of the rule:

> "A disclaimer 'must be strictly construed' against the patentee; an inventor's amendment recognizes

and emphasizes the difference between the language used and 'proclaim[s] his abandonment of all that is embraced in that difference.' He cannot regain 'by recourse to the doctrine of equivalents' that which he, by strict construction of the claim, has disclaimed . . ." (323 F.2d 768).

During the 25 years since this Court's last file wrapper estoppel decision, however, the Courts of Appeals for the Seventh and Fifth Circuits have departed from the estoppel-by-disclaimer rule and held the estoppel is *not* measured by what the patentee did to obtain his patent, but is limited to what he was **required to do by the Patent Office**, as a condition for granting the patent.

Thus, in this case, the Court of Appeals for the Seventh Circuit rejected Stewart-Warner's file wrapper estoppel defense, stating:

> "A necessary condition for the establishment of a file wrapper estoppel is that the patentee must have narrowed his claim in response to an objection by the Patent Office in order to obtain the patent. *Exhibit Supply Co.* v. *Ace Patents Corp.*, 315 U.S. 126, 136 (1942); *I.T.S. Rubber Co.* v. *Essex Rubber Co.*, 272 U.S. 429, 444 (1926). In this case the patentee's claims as originally filed and as subsequently amended and cancelled variously described the pair of counterweights as journalled 'in axially-spaced locations for non-interfering rotation'; 'in axially-spaced planes for rotation'; 'for rotation'; 'for rotation in different axially-spaced planes'; 'in axially-spaced individual paths of rotation'; and 'in individual paths of rotation.' **The objections raised by the Patent Office in its rejection of the original and amended claims were not directed to any distinctions of substantive importance to be drawn from one or the other of these phrases, nor did the Patent Office make a restriction in any of such phrases a condition for the awarding**

> of a patent. Cf., *Hunt* v. *Armour & Co.*, 185 F.2d 722, 727 (7th Cir., 1950). Furthermore, in view of these numerous recitations from the cancelled claims, it is apparent that by finally adopting the 'axially-spaced planes of rotation' language (through the amendments drafted by the defendant's patent counsel) the patentee was simply adhering to the most descriptive recitation of his structure and was not 'abandoning' part of his claim to obtain a patent . . ." (5a-6a, *infra;* bold face emphasis added).

In reaching this conclusion, the Court of Appeals failed to follow the file wrapper estoppel decisions of this Court in two important respects:

1. It completely rejected the estoppel-by-disclaimer principle on which this Court's file wrapper estoppel decisions are based.

2. It reviewed the file history of the Hemmeter patent and analyzed the Patent Office actions and amendments of the application to determine whether the limitation of claim 4 to a balancer having counterweights journalled for movement "in axially-spaced planes of rotation" was really required by the Patent Office actions—in plain defiance of this Court's admonition that "Whether the examiner was right or wrong in rejecting the original claim, the court is not to inquire" (*I.T.S. Rubber Co.* v. *Essex Rubber Co.* (1926), 272 U.S. 429, 443).

The Court of Appeals for the Fifth Circuit did the very same thing when it found the doctrine of file wrapper estoppel inapplicable in *Hunt Tool Co.* v. *Lawrence* (1957), 242 F.2d 347, stating:

> ". . . since the patent examiner's objection was with reference to the prior art, appellants are protected by file wrapper estoppel only if they can show that

> their alleged infringement is in an area to which the prior art could possibly have been thought to extend so as to make it impossible to make valid claims there, for **there is no reason to presume that applicant made a disclaimer broader than necessary to yield to the actual challenge to his claim . . .**" (242 F.2d 354; bold face emphasis added).

The file wrapper estoppel decisions of this Court cannot be so construed.

In *Schriber-Schroth Co.* v. *Cleveland Trust Co.* (1940), 311 U.S. 211, this Court made it plain that an estoppel can arise, **even where the reason for allowance** of the claim against which the estoppel is applied **cannot be determined from the file history** (311 U.S. 221-222). In that same case, the Court said:

> "The injurious consequences to the public and to inventors and patent applicants if patentees were thus permitted to revive **cancelled or rejected** claims and restore them to their patents are manifest" (311 U.S. 221; bold face emphasis added).

Significantly, the Court's statement of the general rule of file wrapper estoppel in the disjunctive form—i.e., as applicable to claims that had been either "cancelled or rejected" (311 U.S. 221)—can only mean that subject matter not rejected by the Patent Office, but cancelled voluntarily by the applicant, must also be regarded as disclaimed, and that the patentee is estopped to contend otherwise.

The Courts of Appeals for the Seventh and Fifth Circuits have thus held patents infringed through operation of the doctrine of equivalents in cases where the controlling decisions of this Court dictate a holding that a file wrapper estoppel precludes application of the doctrine of equivalents—and the Courts of Appeals for the Second and Ninth Circuits would surely so decide.

The Significance of The Decisional Conflict

A majority of the patent suits in which infringement is an issue are based on application of the doctrine of equivalents, and a file wrapper estoppel defense is asserted in well over half of those cases.*

The necessity for a resolution of the decisional conflict regarding the law of file wrapper estoppel is accordingly clear.

So long as the conflict persists, no company doing business throughout the United States can predict whether a file wrapper estoppel defense will be sustained against a particular patent, since it cannot control where an infringement action may be brought against it—and patent owners compelled to rely on the doctrine of equivalents certainly bring suit in the Seventh or Fifth Circuits, whenever possible.

The superiority of the file wrapper estoppel rule announced in the decisions of this Court and applied in the Second and Ninth Circuits, when compared with the rule applied in the Fifth and Seventh Circuits, is also clear: Any patent lawyer can compare the rejected claims in an application with the claims granted in the patent and determine the difference between them, but no lawyer can—with assurance—predict what part of that difference the Court of Appeals for the Seventh Circuit (or the Court of Appeals for the Fifth Circuit) may ultimately conclude was actually **required** by the Patent Office

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* Infringement was one of the issues in 93 of the 243 federal court decisions involving issued patents reported in Volumes 148 through 151 of the United States Patent Quarterly during the calendar year 1966; the patent owner invoked the doctrine of equivalents to support the charge of infringement in 52 of those 93 cases, and was met with a file wrapper estoppel defense in 29 cases.

actions, or how much of that difference the Court may deem to have been **voluntary** on the part of the patentee.

Even so, unless this Court reasserts its supervisory authority over the Courts of Appeals in this important area of the patent law, it is not unlikely that other Courts of Appeals will follow the lead of the Fifth and Seventh Circuits, for the file wrapper estoppel rule those Courts have adopted gives them much greater flexibility in deciding cases than does the estoppel-by-disclaimer rule on which this Court's file wrapper estoppel decisions are based.

CONCLUSION

Long ago, this Court rejected the notion "that a claim in a patent is like a nose of wax which may be turned and twisted in any direction" (*White* v. *Dunbar* (1886), 119 U.S. 47, 51).

Today, however, in over half the patent cases in which infringement is an issue, the doctrine of equivalents is invoked to precisely that end.

Thus, it is not surprising that the Court of Appeals for the First Circuit, in a recent case, observed that:

> "Carried to an extreme, the doctrine of equivalents could undermine the entire patent system" (*Borg-Warner* v. *Paragon Gear Works, Inc.* (1 Cir., 1965), 355 F.2d 400, 404).*

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* Sad to say, the Court then demonstrated the truth of its warning by holding that a claim which described the range of adjustment in the location of a pump housing as "rotation through approximately 180°" was infringed by a construction in which the rotational range of adjustment was 127½°.

The doctrine of file wrapper estoppel was, of course, designed to prevent such a result. But it cannot perform that function if hedged about with limitations and restrictions that are (a) inconsistent with the estoppel-by-disclaimer rule on which this Court based the doctrine and (b) incapable of objective application, in any event.

This Court should, therefore, reassert its supervisory authority over the Courts of Appeals in cases involving the law of patent infringement and—by granting this petition for certiorari—resolve the uncertainty which now exists in that area of the law, just as it did for the law of patent validity through its decision in *Graham* v. *John Deere Co.* (1966), 383 U.S. 1.

Respectfully submitted,

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